

1 NATURAL RESOURCES CONSERVATION SERVICE  
2 UNITED STATES DEPARTMENT OF AGRICULTURE

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11 IN RE: CONSERVATION SECURITY PROGRAM  
12 REGIONAL LISTENING SESSION

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16 MODERATOR: JOYCE SWARTZENDRUBER

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20 Listening session held at Capitol/Pine Rooms,  
21 Augusta Civic Center, 76 Community Center Drive,  
22 Augusta, Maine, on February 11, 2004, beginning at  
23 10:00 a.m.

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1 (Listening session held at Capitol/Pine  
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2 Rooms, Augusta Civic Center, 76 Community Center  
3 Drive, Augusta, Maine, on February 11, 2004,  
4 beginning at 10:00 a.m.)

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6 MS. SWARTZENDRUBER: Thank you everyone for  
7 coming this morning. My name is Joyce  
8 Swartzendruber, and I am the state conservationist  
9 for Maine. I'd like to welcome you to this public  
10 forum. It's being held by the U.S. Department of  
11 Agriculture to receive -- officially receive  
12 public comment on the proposed rule for the  
13 Conservation Security Program. I'm very pleased  
14 that Maine was selected to host one of these  
15 sites. There are not very many people selected,  
16 and we are representing the entire Northeast  
17 today, and I'm glad so many of you could come this  
18 morning to make your views known on this important  
19 program.

20 We have some dignitaries here today, and I'd  
21 like to introduce some of those folks. From  
22 Senator Snow's office we have Gail Kelly here.  
23 Gail, would you stand up? She's the State  
24 Director in Bangor. Thank you for coming.  
25 Senator Susan Collins' office, we have Bill Card.

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1 He's the State Office Representative. Thanks,  
2 Bill. Congressman Mike Michaud, Rosemary Winslow,  
3 the District Director, is here representing

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4 Congressman Michaud. We also have some  
 5 stakeholder groups here, and I'd like to recognize  
 6 those folks as well. Russ Libby from the Maine  
 7 Organic Farmers and Gardeners group, thanks,  
 8 Russ. Jean Christy, the Association of State  
 9 Wetland Managers, Tim Hobbs, the Director of  
 10 Development and Grower Relations from the Maine  
 11 Potato Board, and have I missed -- oh, Marge  
 12 Kilkelly, Northeast States Association for Ag  
 13 Stewardship. Have I missed anyone who is  
 14 representing a stakeholder group today? Okay,  
 15 thank you.

16 we also have some members of the media. If  
 17 there's any members of the media here that did not  
 18 get a press packet, our Public Affairs Specialist  
 19 here in the front is Elaine Tremble, and I'd ask  
 20 that you get one of those packets from her today  
 21 before you leave.

22 Just a few background items, if you have not  
 23 picked up a purple agenda for today, that's what  
 24 we're going to be following, but the proposed rule  
 25 for the Conservation Security Program was

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1 published in the Federal Register on January 2nd.  
 2 The comment period runs until March 2, so you will  
 3 have a chance to prepare and submit other comments  
 4 before the deadline. Please remember that this is  
 5 a proposed rule. It is just that. It's a  
 6 proposal, and the NRCS and USDA really need your  
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7 comments to come up with the best possible program  
8 we can. We will consider all of the comments made  
9 here today as we modify the proposed rule to come  
10 up with a program that meets the needs of the  
11 agriculture community and all Americans.

12 I'd like to introduce the panel to you  
13 today. We have a number of USDA officials with us  
14 who have joined us here to hear the firsthand  
15 comments of yours about the proposed rule. First  
16 of all, on my right is Merlin Bartz. Merlin is a  
17 Special Assistant to the Secretary to the Under  
18 Secretary of Agriculture for Natural Resources and  
19 the Environment in Washington, D.C. Mr. Bartz was  
20 selected for that position in January of 2002, and  
21 he assists in policy direction for both the  
22 Natural Resources Conservation Service and the  
23 USDA Forest Service. Prior to joining USDA, Mr.  
24 Bartz was a state senator for his home state of  
25 Iowa, and he was a member of the Agriculture

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1 Committee and vice chair of the Natural Resources  
2 and Environment Committee there. His farming  
3 roots stem from six generations on a family farm  
4 in Grafton, Iowa. On Mr. Bartz's right is Richard  
5 Swenson. Richard is my boss. He's the Regional  
6 Conservationist from Beltsville, Maryland. He has  
7 29 years with the Natural Resources Conservation  
8 Service, and he served as State Conservationist in

9 New York. He also had other New England  
 10 experience as Deputy State Conservationist in  
 11 Massachusetts. Dave Lavway to his right is a  
 12 State Director of the Farm Service Agency in  
 13 Bangor, Maine, and I'm going to find his page and  
 14 I'll tell you all about him. You all know Dave  
 15 very well because he was formerly on the National  
 16 Potato Council, Government Relations Director, and  
 17 he had also served on the Maine Potato Board. He  
 18 was a member for six years of the Joint USDA US  
 19 Trade Representatives Agriculture Technical  
 20 Advisory Committee and Co-chairman of the Industry  
 21 Advisory Group to the North American Plant  
 22 Protection Organization. Prior to working with  
 23 the Potato Council, he was Director of the Maine  
 24 Potato Board, and he's also had experience with  
 25 the Soil and Water Conservation Districts in Maine

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1 and USDA Soil Conservation Service. Thank you,  
 2 Dave, for being here, and on the far right is  
 3 Carole Jett and Carole comes to us with a lot of  
 4 experience from the Natural Resources Conservation  
 5 Service as well. She's been with SCS NRCS since  
 6 1975 and has served as State Conservationist in  
 7 Michigan, State Soil Scientist in California and  
 8 previously has been on assignment as Congressional  
 9 Fellow with the US House Committee on  
 10 Agriculture. Presently Carole is the Associate  
 11 Deputy Chief for Programs, and her primary

12 responsibility is conservation program policy, and  
13 she served with NRCS in the development of the  
14 2002 Farm Bill and has a lot of intimate knowledge  
15 about the programs that we're going to be talking  
16 about today and you can ask her anything, right,  
17 Carole?

18 MS. JETT: Absolutely.

19 MS. SWARTZENDRUBER: Okay. I would also  
20 like to recognize some of the other USDA people in  
21 the room. I'm going to start with staff from  
22 Maine NRCS, Bill Yamartino is our Assistant State  
23 Conservationist for Programs, Elaine Tremble is  
24 our Public Affairs Specialist and Colleen  
25 Churchill, who took your names at the front, is a

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1 secretary in our office. There are people here  
2 also from Rural Development and Gary Vanedistine  
3 -- I don't know why I can't say that and I can't  
4 say Piscataquis County either. I'm learning. I'm  
5 learning. Thank you for representing Rural  
6 Development, Gary, and also with Maine Farm  
7 Service Agency, Brent Mollis, who is the  
8 Conservation Programs person. Thank you for being  
9 here. I'd also like to recognize Dick Babcock,  
10 the State Conservationist for New Hampshire.  
11 Thanks for coming, Dick, and the Public Affairs  
12 Specialist for New Hampshire NRCS Lynn Howell.  
13 Have I missed any other USDA people? Is there

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14 anyone left? Okay, thank you all for coming.

15 Our job today and these folks are here today  
16 to listen to your comments and record them and we  
17 have a recorder with us. Joanne Alley is  
18 dutifully recording everything that we're saying  
19 so that we can pass this on to Washington and they  
20 can get a good idea of how we feel about this  
21 program in the New England states. We're going to  
22 be listening a lot and not talking very much, so  
23 this is your opportunity to shine. We have a  
24 couple people here from the State Department of  
25 Agriculture, one of whom is going to be making

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1 some comments later, and I did not recognize you  
2 earlier but Ned Porter is here, Deputy  
3 Commissioner, and Peter Mosher is Director of the  
4 Natural Resources Division, and he will be making  
5 comments later.

6 Our forum today is going to run from 10:00  
7 until 1:00 unless we get done earlier than that.  
8 We're going to start with some brief opening  
9 remarks from the listening panel, and then we'll  
10 be -- that will be followed by a brief overview of  
11 the program provided by Carole Jett. We're going  
12 to spend the rest of the time listening to your  
13 comments. We will take a short break after these  
14 initial comments are made, and if you feel the  
15 need to sign-up and make some more comments, I  
16 really hope that you will do so if you're not on

17 the list now. Restroom locations are out this  
18 door, stay to the left, go down the incline and  
19 look toward the open window, it's down the hall  
20 there on the left side. I believe we have some  
21 handouts. Colleen, do we have handouts on the  
22 proposed rule and the CSP fact sheet?

23 MS. CHURCHILL: They were at the  
24 registration table.

25 MS. SWARTZENDRUBER: They were at the

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1 registration table. So if you did not pick one of  
2 those up, I encourage you to do that. The  
3 proposed rule is also available on the NRCS home  
4 page at [www.nrcs.usda.gov](http://www.nrcs.usda.gov) and select Farm Bill,  
5 and with that, I'm going to introduce Mr. Merlin  
6 Bartz to give some comments from the  
7 administration on the CSP program. Thank you,  
8 Merlin.

9 MR. BARTZ: Thanks, Joyce. Welcome  
10 everybody. I'm a great believer that the world is  
11 run by the people that show up, so you folks have  
12 showed up today, and I sincerely appreciate those  
13 of you who have to comment on this particular --  
14 at this particular program listening session. I  
15 also appreciated the invitation to come to Maine.  
16 I had the opportunity yesterday to visit the Crane  
17 farm. Thank you, Steve. I kidded him that he  
18 drives the wrong color machinery, but we can get

19 by that, and I also had my cranberry education  
20 this morning in the back of the room over coffee.  
21 Being a Midwestern soybean, corn and hog guy, it's  
22 kind of interesting to hear about different types  
23 of agriculture. You're speaking the same language  
24 but you've got to get the terminology correct.

25 As you're well aware, this is one of the

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1 Conservation Security Program public forums.  
2 Joyce mentioned that the initial proposed rules  
3 were published in the January 2nd Federal  
4 Register. This is one of ten forums that are  
5 being held nationwide. In fact, today, the other  
6 three forums are being held in Iowa, Florida and I  
7 believe Michigan, Michigan or Mississippi. Carole  
8 will have to correct me on that. Not only are we  
9 having these ten forums but we're also taking  
10 public written comments in regard to these  
11 proposed rules, and interested parties can submit  
12 those written comments by mail or e-mail. Keep in  
13 mind that this proposed rule is just that. It's a  
14 proposal. It's not written in stone, and we  
15 really want to study every comment made in these  
16 forums and that we receive in writing, incorporate  
17 the best ideas to make our proposed rule a better  
18 proposed rule and a better representation of the  
19 Congressional legislation. I do want to talk  
20 about a couple of areas that I see that I'm very  
21 excited about in regard to this new program, the

22 Conservation Security Program, or in government  
23 speak, the CSP program. The first is it is a new  
24 approach. It is a new approach in that it  
25 recognizes conservation achievements on working

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1 farm and ranch lands by identifying and rewarding  
2 farmers and ranchers who are meeting high  
3 standards, who are already meeting high standards  
4 in their operations. Second, it's unique. It's  
5 unique because no other Federal Conservation  
6 Program rewards agricultural producers for an  
7 overall conservation effort. We can talk about  
8 EQIP or we can talk about WIP or we can talk about  
9 WRP or CRP. We can go down that whole plethora  
10 listing of programs, but this particular program  
11 talks about overall conservation effort; and,  
12 third, it will help producers maintain existing  
13 conservation stewardship and not only maintain  
14 that existing stewardship but make additional  
15 environmental gains by implementing additional  
16 conservation measures. You know, when we  
17 recognize these producers who are practicing good  
18 stewardship, who are providing environmental  
19 benefits, society really in many respects is  
20 starting to expect more. CSP will help provide  
21 those strong incentives. As Secretary Benneman  
22 has said, and I'm sure you've heard this many  
23 different occasions in regard to the CSP Program,

24 that it will reward the best and motivate the  
25 rest.

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1 I also want to cover a couple of additional  
2 factors which have taken place since the  
3 promulgation of the proposed rule in the Federal  
4 Register, and there are two things related to the  
5 budget for CSP. The first is that on January  
6 23rd, President Bush signed the Consolidated  
7 Appropriations Act of 2004. In that legislation,  
8 Congress allocated 41 million for the CSP Program  
9 during the current fiscal year, that current  
10 fiscal year being fiscal year '04 which started on  
11 October 1st and goes to September 30 of 2004.  
12 This will allow us to sign just about 3,000  
13 contracts and will get the CSP Program off to a  
14 good start once the final rule is in place.  
15 Secondly, on February 2nd, the President announced  
16 his initiative for the 2005 fiscal year budget,  
17 and in that request, the President asked for in  
18 fiscal year '05 an allocation of 209 million  
19 dollars for the CSP Program, which you can do the  
20 math very quickly, is a 168 million dollar  
21 increase over the 41 million that the Congress  
22 allocated for '04. So we believe that in fiscal  
23 year '05, that should allow us to sign an  
24 additional 12,000 contracts. With these proposed  
25 rules in place and then the final rule coming

1 after the public comment period and the  
2 President's strong commitment, even in a tight  
3 budgetary year I may say, for the increase and as  
4 we gather these comments today to improve our  
5 implementation, I personally look very much  
6 forward to the success stories that CSP will  
7 initiate over the course of the next few years and  
8 for generations to come.

9 So once again, thank you very, very much for  
10 your participation. Joyce?

11 MS. SWARTZENDRUBER: Rick, were you going  
12 to say a few words?

13 MR. SWENSON: I'm going to defer on opening  
14 comments and just say that I'm happy to be here.  
15 I'm looking forward to the comments from the  
16 audience.

17 MS. SWARTZENDRUBER: Thank you, Mr.  
18 Swenson. Dave Lavway, do you have some comments  
19 for us today? If you'd like to sit there, that  
20 would be fine.

21 MR. LAVWAY: That will be fine. I think  
22 everybody, like you said, pretty much knows who I  
23 am. It looks like an Ag Com meeting today,  
24 Agricultural Council of Maine. I guess just my  
25 comments are that as Farm Service Agency, we have

1 -- we're collocated with NRCS and about 15 field  
2 offices and we have a very good working  
3 relationship here in Maine. We try to help each  
4 other out, whatever the situations are, whatever  
5 the programs are. We have a lot of small offices,  
6 and my role here is to listen and to assure  
7 everyone that we will play the partnership role  
8 the way we should. We'll be very much a help on  
9 any program and especially this one is a new one  
10 with a totally different focus from past  
11 conservation programs, and so there's quite a lot  
12 of learning curve here for many of us on this. So  
13 that's about what I wanted to say, Joyce. I want  
14 to make sure we'll do our part.

15 MS. SWARTZENDRUBER: Okay, thank you, Dave,  
16 and now I'd like to introduce Ned Porter, Deputy  
17 Commissioner from the Maine Department of  
18 Agriculture, and, Ned, feel free to come up here  
19 and use the podium, if you'd like.

20 MR. PORTER: Good morning, and on behalf of  
21 Governor Baldacci and Commissioner Spear, I want  
22 to welcome to Maine Carole, Rick and Merlin. I'm  
23 really grateful for the weather you brought with  
24 you when you came. You've had the best couple of  
25 days we've had in a long time, and I also want to

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1 congratulate Joyce on her appointment as State  
2 Conservationist. You've come on board in exciting  
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3 times, and we look forward to working with you and  
4 look forward to seeing you with the commissioner  
5 tomorrow.

6 MS. SWARTZENDRUBER: Okay.

7 MR. PORTER: I want to thank the USDA for  
8 scheduling this listening session in Maine. The  
9 Maine Growers and Maine's farm community have a  
10 keen interest in Federal Farm and Conservation  
11 Programs, but too often in their development and  
12 implementation we feel overlooked, and this is a  
13 good thing for Maine agriculture and for the  
14 region that you're here to listen to us and we're  
15 all grateful, and, again, I want to thank you for  
16 coming, and I'm sure you're going to hear some  
17 valuable and insightful comments from the crowd.

18 I've heard a lot of enthusiastic comments  
19 from the farm community here about the potential  
20 for the Conservation Security Program. There's a  
21 lot of excitement about the benefits that could  
22 accrue down the road, but they're equally curious  
23 as to how it will roll out and what it will mean  
24 for them when it's up and running; and when you  
25 combine the prospect of an entitlement with a

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1 spending cap, especially one ratcheted so severely  
2 as it is this current fiscal year, that curiosity  
3 turns to concern, and then how that works across  
4 the country, especially as we look across the

5 country from the vantage of the Northeast where  
 6 we're concerned about regional equity, it's  
 7 compounding all of that; but, anyway, you'll hear  
 8 more on the details from the crowd and, again, on  
 9 behalf of this administration, I want to thank  
 10 you, and welcome to Maine.

11 MS. SWARTZENDRUBER: Thank you, Ned. I'm  
 12 going to turn it to Carole Jett now to give you an  
 13 overview of the program. This is a power point  
 14 presentation so we're going to be turning the  
 15 lights down a little bit. I encourage you to move  
 16 forward if you can't see very well. There's some  
 17 detail in these slides, but I think overall you  
 18 should be able to see everything.

19 MS. JETT: I appreciate you all being here  
 20 today. I'm Carole Jett. I was just introduced.  
 21 I want to walk through quickly with you, and then  
 22 I'll get to the power point, what a rule actually  
 23 is. This is one of the rules that USDA has  
 24 published, and, in fact, they went ahead and had  
 25 its own Federal Register day January 2nd where

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1 it's the only thing in the Federal Register that  
 2 day, and if you -- well, wait a second -- thanks,  
 3 if you worked from the back, when we talk about a  
 4 rule, what a rule is is it's a translation of a  
 5 statute that's passed by the Congress and signed  
 6 by the President to a regulation that offers an  
 7 idea of how the -- in this case the NRCS would

8 operate the program under the statute, and so in  
9 the very back, if you start on page 214 of this  
10 document you received, this Federal Register  
11 document, if you look in the middle where it says  
12 list of subjects on page 214, that's actually  
13 where the regulation starts, and so the things  
14 that you would be commenting on would be things  
15 after that. That's how we are proposing for the  
16 rule to operate. If you go to page 196 through  
17 214, that is a description of how the policy  
18 folks, including myself, the thought processes we  
19 went through to come up with what's in the rule,  
20 and in there we offer some options and we ask  
21 specific questions of you, the public, on ideas  
22 that you might have; and as Merlin mentioned, we  
23 have -- it's a proposed rule. It's an idea of how  
24 we could run this program under a capped  
25 entitlement, and we'll talk a little bit more

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1 about that, but this year it is capped at 41  
2 million dollars, and if you don't like that or if  
3 you don't like something in particular, we're  
4 willing to hear about that. We want to know that,  
5 but what we're really interested in is what would  
6 you rather see. So if you have another idea or a  
7 way to do something, I can guarantee that in the  
8 Environmental Qualities Incentive Program, we  
9 lifted language directly from the public comments

10 and put them in the final rule where people came  
 11 up with new ideas or better ways of operating it  
 12 that were, in fact, contrary to the proposed rule,  
 13 and we will be doing that with CSP. So we're very  
 14 interested in your thoughts on how we can make  
 15 this program work both either under a capped  
 16 entitlement like we have this year or if the cap  
 17 comes off, in future years how that might work.  
 18 So that's what a rule is all about.

19 Let's see. Okay, the Conservation Security  
 20 Program itself here, it is a new type of  
 21 conservation program, no other program government  
 22 recognizes and rewards farmers and ranchers for  
 23 their ongoing stewardship efforts. Our other farm  
 24 bill programs help people fix something. Like the  
 25 Environmental Qualities Incentive Program, if

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1 you've got an erosion problem or a water quality  
 2 problem, we can help you fix it with cost share.  
 3 If you want to put land into a retirement program  
 4 such as the Wetlands Reserve Program, Conservation  
 5 Reserve Program or Grassland Reserve Program, an  
 6 Easement Program, we can do that with other  
 7 programs. There is a part in the Farm Bill where  
 8 we talk about program redundancy. So where we  
 9 have overlaps with ongoing programs, we have  
 10 avoided putting those into CSP so that we can  
 11 point you to each individual program that would  
 12 work for you. So there are some concerns about

13 that, and we'd be happy to hear your comments, but  
14 this is not a fix-it program. It's a way to pay  
15 farmers and ranchers -- those of you, and I saw  
16 some yesterday, some great examples in Maine of  
17 people who had been doing this stewardship on  
18 their own dime and will be getting a payment for  
19 that as part of this program.

20 The Secretary's motto for this program is  
21 reward the best and motivate the rest, and we will  
22 be rewarding the historic stewards. It is an  
23 entitlement program and motivating others who have  
24 not met those minimum requirements in soil quality  
25 and water quality to achieve that so that they can

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1 enter into the program in a future sign-up. We  
2 will be paying for demonstrable environmental  
3 benefits, particularly looking at soil organic  
4 matter management. We call that soil quality.  
5 Nutrients, pest management and other resource  
6 concerns such as wildlife. We are looking to  
7 improve the condition of America's working farms  
8 and ranches and enhance the natural resources for  
9 the public as a whole, as Joyce mentioned  
10 earlier. As we mentioned, funding will be limited  
11 in the first year. The Congress has passed 41  
12 million dollars for CSP in 2004, and that will be,  
13 as was mentioned earlier, enough to sign-up about  
14 3,000 contracts. According to the ag census, we

15 figure there's about 1.8 million people -- ag  
16 operations that would be eligible in the country  
17 for the Conservation Security Program. So we have  
18 to get down from 1.8 million down to 3,000 to  
19 match up the participants with the budget. Since  
20 it's an entitlement program, if you do meet the  
21 requirements of the program, you are entitled to a  
22 payment. So it's the confounding problem of  
23 matching up the statute with the realities of the  
24 budget constraints that we're getting on this  
25 program.

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1 The capped entitlement, as was mentioned, 41  
2 million likely to support up to 3,000 contracts,  
3 and we have around 3,000 counties in the country  
4 so it will likely be less than one per county.

5 In terms of the statutory eligibility  
6 requirements, it is privately owned or tribal  
7 land. The applicants must meet highly erodible  
8 land and side buster and swamp buster requirements  
9 of the 1985 Farm Bill. You need to have an active  
10 interest in the operation, control of the land for  
11 the life of the contract to ensure that the  
12 payments that the Federal Government is making  
13 will survive the length of the contract. The  
14 applicant must share in the risk and be entitled  
15 to a share of the crops or livestock raised on  
16 that land, and that, again, is a statutory  
17 requirement, and we must meet specific tier

18 requirements that are in the proposed rule, and  
19 we'll talk a little bit about that.

20 In order to narrow down the potential 1.8  
21 million people down to the 3,000, we're looking at  
22 a self-screening process where you could take home  
23 a workbook or go online and download one and take  
24 a look at what are the requirements. Just to give  
25 you an idea of the scope, there's about 730,000

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1 farm program payments made across the country, and  
2 so when we're talking about 1.8 million potential  
3 ag operations and 900 million qualified acres that  
4 might come into the program, it's going to be  
5 quite a process to narrow that down, and so we  
6 would like to use the self-screening process where  
7 people could know am I potentially in, am I  
8 potentially not in, and what would I have to do to  
9 perhaps qualify in a future sign-up so that you  
10 could start doing those activities such as  
11 nutrient management, test management, soil organic  
12 matter management, in order to qualify in the  
13 future.

14 we've got the land eligibility requirement,  
15 and basically it's producers on cropland,  
16 orchards, vineyards, pasture and range may apply  
17 for the Conservation Security Program. There is  
18 no size limit, there's no minimum, there's no  
19 maximum, there's no -- regardless of the type of

20 operation. Forest lands are not allowed by  
 21 statute in the Conservation Security Program. I  
 22 know we had quite a discussion with folks in Maine  
 23 about that because you have definitely a lot of  
 24 private forest land with resource concerns that  
 25 you'd like to have addressed, but by the statute,

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1 they are prohibited, and we'll talk a little bit  
 2 about that in a minute. Also land in the  
 3 Conservation Reserve Program, Wetland Reserve  
 4 Program and Grassland Reserve Program are not  
 5 eligible. It's considered a double-dipping type  
 6 thing, so by statute they are not eligible.

7 In terms of the forest land, we use the same  
 8 definition of forest land that we use in our  
 9 Natural Resources Inventory, and we'd invite you  
 10 to take a look at that definition right there in  
 11 the beginning of the actual regulation, and we  
 12 discussed that land incidental to an ag operation  
 13 such as forest riparian buffers or agri forestry  
 14 practices could be eligible and we'd like your  
 15 comments on how we define that because we've got a  
 16 fairly strict definition. The minimum area is  
 17 one acre -- the maximum area would be one acre and  
 18 narrower than 100 feet wide, and we take that  
 19 directly out of some of our definitions in our  
 20 forest handbooks. So we'd appreciate any comments  
 21 you might have on that as well. So a tree-covered  
 22 grazing area to be eligible for CSP must be

23 stocked with less than ten percent single-stemmed  
24 trees of any size that will reach a mature  
25 diameter of at least four meters and would

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1 vertically have a tree canopy cover of less than  
2 25 percent. I'm a soil scientist, so that may  
3 mean something to you, and I'm from Nevada where  
4 we don't have a lot of trees, so please bear with  
5 me. If you have any questions, I'm sure Bill  
6 might be able to help us out, but we are seeking  
7 your comments on this because we know it's an  
8 important issue in the Northeast.

9 In terms of producer eligibility, the  
10 producer by statute must share in the risk of the  
11 operation, and so if you're a landlord and you  
12 cash rent with no other stipulations to a tenant,  
13 you would not be eligible to apply for CSP because  
14 you're not sharing in the risk, but your tenant  
15 could apply and you could receive a part of the  
16 payment, and that would be worked out with you and  
17 your tenant. So there are some statutory  
18 restrictions on who can apply, but there are none  
19 on who can receive the payment. In our  
20 Environmental Qualities Incentive Program and in  
21 other programs, we have devised ways for people to  
22 make this decision before they come in so we know  
23 how to distribute the payment between the tenants  
24 and the landlords prior to the contract signing.

25 we also have a definition of agricultural

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1 operation. It's referred to many times in the  
2 statute but does not have a statutory definition.  
3 It's a very important term because it defines the  
4 tier that you would be in. In CSP there are three  
5 tiers. In Tier I, you would address soil quality  
6 and water quality on a part of your agricultural  
7 operation. In Tier II and Tier III, you address  
8 resource concerns on your entire ag operation, and  
9 it's basically thought of as a management type of  
10 definition where what is the area that you manage  
11 consistently and that you have direct day-to-day  
12 management decisions over, and so we'd like your  
13 comments on that as well in the proposed rule.

14 we've got priority watersheds. This has  
15 become a very controversial piece of this rule.  
16 what we are looking at is being able to narrow  
17 down that 1.8 million potential applicants down to  
18 people within a particular watershed. We are  
19 constrained in this program by a technical  
20 assistance cap, and what that means is the person  
21 that you go to in the office to talk to about the  
22 Conservation Security Program does get paid a  
23 salary, and that is called technical assistance.  
24 The technical advice and help that we provide to  
25 you or to groups as we explain the program in

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1 sign-up and then additionally in providing design  
2 and technical assistance to install the practices  
3 or enhancements with this program is all called  
4 technical assistance, and we have a cap on that.  
5 So if 1.8 million people called and wanted to know  
6 something about the program, we would quickly use  
7 up that technical assistance cap. So the idea  
8 that we have in the rule is to narrow that down by  
9 offering it in specific watersheds and in the  
10 President's budget, they go into actually an eight  
11 year rotation using the budget numbers that we've  
12 got. So we're looking for ideas on how we might  
13 prioritize these watersheds. We're looking at  
14 right now in the proposed rule to offer it in  
15 watersheds that have the greatest potential for  
16 improving water quality, soil quality and grazing  
17 land condition. It doesn't mean the worst  
18 watersheds. It doesn't mean the best watersheds.  
19 It means those with the best chance for  
20 improving. If you have ideas on that, we'd really  
21 like them. If you have ideas on another way to  
22 approach how to address this technical assistance  
23 issue, we would like those. If you don't like  
24 watersheds, how might we do it, because by  
25 statute, if we run up against the 15 percent, we

1 have to quit working, and we'd hate to be in the  
2 middle of a sign-up or in the middle of designing  
3 the practices on your property and have to quit  
4 working because we've run out of the funding, and  
5 when it's in the statute, we have little control  
6 over that. So any ideas you might have, we'd  
7 really appreciate those.

8         These are the watersheds that we're looking  
9 at. There's 2,119 eight digit watersheds. I  
10 believe we've got 21 in Maine.

11         Another part of the screening process is the  
12 treatment requirements. All Conservation Security  
13 Program producers must address the minimum  
14 treatment for soil quality and water quality, and  
15 that is part of the historic stewardship idea of  
16 getting into the program and rewarding those  
17 farmers that have done a great job all along in  
18 protecting their land. These techniques are  
19 different on each farm. We went to four different  
20 places yesterday. Each one had different types of  
21 practices that they needed to control erosion and  
22 improve water quality. They might include soil  
23 and erosion control practices, cover crops,  
24 nutrient management, test management, buffers  
25 along the stream corridors or a variety of things

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1 depending on the lay of the land. So it's kind of  
2 an individual farm-by-farm review of what you've  
3 got going, and if you meet those minimum

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4 requirements, then you would be able to be  
5 eligible for the Conservation Security Program.

6 We have this idea that we're calling  
7 enrollment categories. It's yet another way  
8 within each of the watersheds that if there are  
9 too many people that are entitled to a payment,  
10 once we narrow it down within the watersheds, we  
11 would categorize those people into different  
12 categories and fund the first category first, the  
13 second category after that, and if we still had  
14 money remaining, we'd go to the third category.  
15 We would be basing this according to our proposed  
16 rule on historic environmental performance and the  
17 willingness to do more. We took this from the  
18 Veterans Health Administration capped entitlement,  
19 which is an insurance policy they have, and just  
20 to give you an idea of how this works under that  
21 process, if you have a Purple Heart, you're in  
22 category number one and you're guaranteed  
23 insurance. If there's any money left after those  
24 folks get insurance, then we'd move to the second  
25 category which would be Korean War veterans and

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1 older service. If there's any money left after  
2 that, you'd move to category three. We'd like to  
3 make these categories just as sharply defined so  
4 there's no confusion about where you might be, but  
5 we want to -- the option to that is proration of

6 the payment. So if we have more people that are  
 7 deserving of an entitlement than we have money,  
 8 the other option is proration. If that's  
 9 something that you would be interested in, we'd  
 10 like to hear about that from you. We're looking  
 11 at folks who are willing to do more and that's  
 12 part of the categories. They are not in the rule,  
 13 but they will be published for public comment  
 14 before sign-up, and if this idea is accepted into  
 15 the final rule, we'll do that at that point.

16 we have a contract selection bin. We would  
 17 have a contract with the farmers that would show  
 18 the schedule of practices that they need to  
 19 maintain as part of their historic stewardship,  
 20 new activities that they may carry out and how to  
 21 document the payment. There's three tiers of  
 22 participation. As I mentioned, Tier I, the  
 23 applicant has addressed soil quality and water  
 24 quality on a part of their operation. We have no  
 25 minimum acreage requirement on that. If you think

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1 there should be one, we'd like to hear about it.  
 2 Tier II and Tier III, they address water quality  
 3 and soil quality on the entire operation. On Tier  
 4 II they agree to do an additional resource concern  
 5 such as wildlife or air quality and that would be  
 6 at the choice of the farmer. So the farmer would  
 7 choose which additional resource concern to  
 8 address, and then in Tier III it's kind of like

9 the best spots in the country, people who have  
10 addressed all their resource concerns at the time  
11 of the application of the payment -- or the  
12 program.

13 There's four payment components. There's an  
14 annual based payment component and a maintenance  
15 component for practices that are existing when you  
16 apply and that is -- we call that the stewardship  
17 payment, and part of the payment is taxable, and  
18 that's different than the rest of our conservation  
19 programs. We have a one-time new practice payment  
20 which is for places where we might have to add a  
21 couple of practices to get some additional  
22 environmental performance and we'd be willing to  
23 do that and pay part of that through the CSP  
24 Program, and then there's the enhancement  
25 component for additional exceptional conservation

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1 effort above and beyond. Looking at the farms  
2 that we went to yesterday, there are many  
3 conservation practices already being implemented  
4 in Maine based on what we saw that would qualify  
5 as the enhancement part of this program. The all  
6 payment pieces apply to all three tiers, so no  
7 matter whether you put in part of your farm or all  
8 of your farm, you're still eligible for a base  
9 payment, the practice payments and the enhancement  
10 payments.

11           The enhancement, there's basically five kinds  
 12 of enhancements, and this is where the program  
 13 really gets exciting. There's one for improving  
 14 resource concern beyond the minimum requirements,  
 15 and we saw quite a bit of that yesterday where the  
 16 farmer was already addressing the soil erosion  
 17 concerns, doing certain practices, and in order to  
 18 beef up the soil organic matter, they've added in  
 19 a cover crop. There's soil quality management  
 20 practice, that's the type of practice that is not  
 21 required for your highly erodible land plan, would  
 22 be considered an enhancement practice and eligible  
 23 for an annual payment. There's improving a local  
 24 resource concern, so if you have a local issue,  
 25 for example, with some of your different habitat

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1 for fisheries, you could add different buffer  
 2 requirements or additional practices that might  
 3 address some species issues that you might have or  
 4 other activities on working lands that could  
 5 address air quality or whatever those issues might  
 6 be here in Maine. We allow a payment if you're  
 7 willing to do an on-farm demonstration or a  
 8 pilot. If you're already doing one, you might fit  
 9 in and be able to just continue that pilot or a  
 10 demonstration and get an enhancement payment for  
 11 it. We're particularly looking at things that  
 12 demonstrate the effectiveness of sustainable  
 13 practices so that those can be -- actually get

14 some data to support the usefulness and  
15 environmental protection of these practices. We  
16 have an enhancement payment where you are  
17 cooperating within a watershed. If 75 percent of  
18 the people are cooperating on some effort, we can  
19 offer a payment for that; and the assessment  
20 evaluation activities, if you're doing your cover  
21 crop, for example, and you're willing to collect  
22 some data on that so that we can find out how  
23 effective those additional techniques are so that  
24 we can support that, we would provide an  
25 enhancement payment for that. So, for example,

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1 yesterday we saw a potato farm where they were  
2 doing a cover crop. They might be able to get an  
3 enhancement payment for doing that cover crop as a  
4 soil quality enhancement. They might be able to  
5 get an enhancement payment for an on-farm demo if  
6 they're willing to let people come and take a look  
7 at it and explain what they're doing and how it's  
8 working, and they might be able to get an  
9 enhancement payment for collecting data on that  
10 and showing its effectiveness. It may not be  
11 effective. It may be effective. Intuitively on  
12 some of these practices we know they are. Farmers  
13 can see their production is going up, but if we  
14 had some data, then we can share that with a lot  
15 of other people. So that's what the enhancements

16 are all about. In this example, we might install  
 17 riparian buffers to improve the local resource  
 18 condition of water quality and wildlife and  
 19 provide shade and cool surface temperatures to  
 20 restore critical salmon habitat. That may not fit  
 21 here in Maine, but it's just an idea of how things  
 22 could work, and we have promoted in the proposed  
 23 rule to move most of the payment for this program  
 24 into enhancements so to get that additional  
 25 environmental performance from adding additional

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1 activities to our minimum soil and water quality  
 2 criteria.

3 These on-farm demos, they might be field  
 4 trials for cover crops, mulches, land management  
 5 practices to improve soil quality, as I mentioned  
 6 earlier. You might have a watershed project with  
 7 other producers to control erosion and boost  
 8 organic matter, reduce surface water  
 9 contamination, and we've asked the State  
 10 Conservationist in this case, Joyce, to work with  
 11 folks in the state to find out what's going on so  
 12 we can leverage activities that are already going  
 13 on and add potential people to those activities to  
 14 beef up the data. Another example might be an  
 15 assessment evaluation activity like water quality  
 16 testing at the field edge, drilling and the  
 17 monitoring of wells and collecting data. All of  
 18 this data is covered by the confidentiality rule

19 that was in the 2002 Farm Bill, so it can only be  
20 released to the public in an aggregate way. So  
21 we've had some questions about that.

22 The Secretary will announce sign-up  
23 periods. You would be doing a self-assessment to  
24 determine if your farm is selected in a particular  
25 watershed and if it meets the eligibility

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1 requirements, you would do an inventory of your  
2 current practices, what you're doing and if you  
3 already have a conservation plan, that would serve  
4 as inventory, and you must meet the minimum tier  
5 and contract requirements. NRCS at that point  
6 would determine the eligibility, make sure the  
7 paperwork is all done right. We would conduct a  
8 personal interview with you, we would place you in  
9 a tier that's -- Tier I, II or III for the payment  
10 and an enrollment category. We would select the  
11 successful applicant and then you would complete  
12 your Conservation Security Plan and get your  
13 payment.

14 We are seeking comments, as mentioned  
15 earlier, and we really appreciate your time  
16 today.

17 I did learn a couple things yesterday. I  
18 learned about mud season. I hadn't heard that,  
19 and a beaver deceiver. I'm going to be explaining  
20 that one to my boss when I get back.

21 MS. SWARTZENDRUBER: Okay, thank you,  
 22 Carole. As you can see, she's very, very  
 23 knowledgeable about this program, and this is her  
 24 opportunity to hear what your input is to tweaking  
 25 it and making it work for everybody.

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1 we're going to take a break right now. It's  
 2 ten to eleven by my watch, just a short break to  
 3 kind of get the head table here reorganized, and  
 4 we'll be back here at eleven and start listening  
 5 to all of your comments. I have four on my list.  
 6 Do you have some more? Okay. So we do have a  
 7 list of folks, and we will be giving you those  
 8 instructions later, but we'll be limiting those  
 9 comments to five minutes. So take ten, and we'll  
 10 be back at 11:00.

11 (OFF RECORD)

12  
 13 MS. SWARTZENDRUBER: Thanks for getting  
 14 back after the break. We're going to be taking  
 15 comments from now until 1:00. So you still are  
 16 limited to five minutes. I have a list of seven  
 17 who wish to speak, and after five minutes is up,  
 18 if you'd like to go sign up again and have another  
 19 five minutes, we'd sure entertain that. So as  
 20 long as we have to stay here until 1:00, we don't  
 21 care if you stay here, too. Our timekeeper today  
 22 is Mr. Bill Yamartino, and Bill will give you a  
 23 yellow warning flash when you're at four minutes

24 with one minute left and the red card will  
25 indicate that your five minutes is up. Our

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1 recorder has asked that you please state your name  
2 before you speak, and that will help her get her  
3 comments correct. If you have written comments,  
4 you're certainly welcome to leave those at the  
5 front table -- at the registration table, and  
6 we'll see that those get directly to Washington.  
7 You may also e-mail Washington, and I believe the  
8 address is on one of your handouts,  
9 david.mckay@usda.gov or mail your comments in to  
10 the Conservation Operations Division, NRCS, Post  
11 Office Box 2890, Washington, D.C., 20013, and all  
12 of these comments will be considered as they  
13 develop the final rule. So I don't know about  
14 you, but I learn something every time Carole Jett  
15 talks about this program and something else clicks  
16 in. Hopefully you've had enough exposure to this  
17 that you feel comfortable making comments. Our  
18 first three speakers, so you can be ready, and you  
19 may use either one of these microphones at the  
20 front, the first speaker will be Dave Popp, and  
21 then we're going to hear from Peter Mosher and  
22 Dick Wood, and I'll introduce the next three at  
23 each break between speakers so you know when your  
24 name is coming up. Okay, Mr. Popp.

25 MR. POPP: My name is David Popp. I live

1 in Dresden, Maine. I'm a grower. I grow  
2 strawberries, cranberries, raspberries and  
3 vegetables. I've looked over this program and  
4 from the handouts and whatnot I've got from ag com  
5 as a member of that, I don't feel this is a good  
6 program, and the first two tiers seem to be  
7 acceptable, but this third tier, I think this is  
8 just way out of line, and basically my problems  
9 are you're not correcting any problems that  
10 exist. You're just wasting -- I think that's a  
11 waste of scarce funding resources; and in number  
12 two, I think it rewards farmers that derive too  
13 much of their income already from farming the  
14 government and not the market; and, three, it  
15 makes these farmers more dependent on Federal  
16 handouts, hence weakening agriculture by  
17 subsidizing poor management over strong business  
18 and marketing plans; and, four, it has a strong  
19 possibility of fostering hard feeling in the ag  
20 community because the third tier farmers seem to  
21 be getting a free ride at the expense of farmer  
22 taxpayers. The other thing is there's going to be  
23 so few of these contracts awarded, that the people  
24 that do get these contracts, there's going to be a  
25 lot of people wondering why they got them. Also,

1 it makes it appear that NRCS is not impartial and  
2 will only reward their good buddies with tax  
3 monies. The motto reward the best and motivate  
4 the rest might be okay if they were dealing with  
5 private corporations but it's not for tax  
6 dollars. This motto is more appropriate for the  
7 sales pyramid schemes. This USDA/NRCS program on  
8 the third tier anyway should be categorized as the  
9 Agway Farm Program. I also feel that the CSP  
10 discriminates against female, minority and under  
11 served growers because the documentation of recent  
12 -- some of the recent lawsuits down south and  
13 would not allow them to proceed to the third tier  
14 anyway. I think this -- the CSP diverts funds  
15 from agriculture to foster such diverse policies  
16 as wildlife enhancement, research and  
17 demonstration projects in cooperation with  
18 regional plans. It seems to me that these  
19 programs should be best carried out by the Fish  
20 and wildlife Departments, EPA, university or  
21 watershed Programs and not with USDA conservation  
22 funds. This CSP, the third level anyway, is a  
23 pork barrel project with the biggest hogs at the  
24 trough. The government -- okay. When you have a  
25 problem in Maine, you can't get enough EQIP money

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1 so every Maine dairy farmer can get a manure

2 storage pit or a stacking pad because the NRCS  
3 staff is too busy or don't have the time or money  
4 to do these projects and they're working on  
5 enhancement programs. I don't think this is  
6 right. I think first we ought to take care of the  
7 programs that we have already and take care of  
8 those problems first. So I don't think we're -- I  
9 think what this does is it subsidizes -- what we  
10 should be doing, USDA should be addressing the  
11 problems of the subsidies and dumping so at least  
12 the American growers will have a level playing  
13 field in their own markets. This would certainly  
14 be of more help to our beleaguered dairy and  
15 Downeast blueberry growers and our potato growers  
16 than this type of program. That's all I have for  
17 comments.

18 MS. SWARTZENDRUBER: Thank you. Thank you,  
19 Mr. Popp. Peter Mosher will be next and then Dick  
20 Wood and Russell Libby.

21 MR. MOSHER: My name is Peter Mosher,  
22 Director of the Office of Agricultural, Natural  
23 and Rural Resources in the Maine Department of  
24 Agriculture. I'm speaking on behalf of the  
25 Commissioner of Agriculture, Robert Spear, who

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1 could not be here today. The Department  
2 recognizes that NRCS has had to develop the  
3 proposed rules in a changing environment,  
4 specifically a shrinking budget cap unfortunately

5 set at 41 million for FY 04. The Department  
 6 congratulates NRCS for being able to develop these  
 7 rules under these circumstances. With this  
 8 background in mind, with the time constraint and  
 9 with the knowledge that other speakers will  
 10 provide additional comment regarding specific  
 11 parts of the rule, the Department is concentrating  
 12 its comments on the capped entitlement and  
 13 eligibility criteria of the rule. The Department  
 14 will also comment on the impact of the rule on  
 15 regional equity and also on the decision making  
 16 authority.

17 The CSP as originally enacted by the 2002  
 18 Farm Bill was to be an entitlement program where  
 19 all eligible producers would receive payments and  
 20 originally with a 7 billion dollar approximate  
 21 cost. Subsequently, the Omnibus -- I can  
 22 pronounce Piscataquis but I have trouble with  
 23 Omnibus -- Appropriation Act of 2003 capped the  
 24 entitlement at 3.773 billion over a ten-year  
 25 period. Subsequently, the CSP was capped at 41

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1 million or FY 04. This cap has forced NRCS to  
 2 find ways to limit eligibility of the CSP. NRCS  
 3 has selected soil and water quality as a national  
 4 significant resource concerns. The Department  
 5 thinks this selection is appropriate and that  
 6 including these resource concerns in the

7 eligibility criteria for Tier I, II and III are  
 8 also appropriate; however, the contract payments  
 9 are of concern to the Department. It's the  
 10 Department's understanding that for each tier the  
 11 bulk of the payment will be for new practices, not  
 12 for practices that have been adopted. The purpose  
 13 of the CSP was to reward farmers who had taken the  
 14 initiative to adopt conservation practices, where  
 15 this payment scheme rewards farmers who adopt new  
 16 practices.

17 I'd like to comment on the watershed  
 18 limitation. The proposed rule would impose  
 19 eligibility requirements based on selected  
 20 priority watersheds and, consequently, only  
 21 producers located in those watersheds would be  
 22 eligible. Although this requirement is proposed  
 23 to limit eligibility, it conflicts with the  
 24 program goal to reward the best and motivate the  
 25 rest. The Department's experience would suggest

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1 that farmers who have initiated practices would be  
 2 on watersheds that have improved to the point they  
 3 would be the last to be rewarded, if rewarded at  
 4 all. Let me use an example. In Maine, when  
 5 Atlantic salmon restoration became an issue and  
 6 before Atlantic salmon was listed as an endangered  
 7 species, farmers proactively adopted conservation  
 8 practices to ensure they would not -- they were  
 9 not impacting water quality in the Sheepscot

10 River. The Department of Agriculture working  
11 cooperatively with NRCS, Soil and Water  
12 Conservation Districts and the Maine Cooperative  
13 Extension Service provided assistance to farmers  
14 who adopted conservation practices. We will now  
15 present you with some figures that, although not  
16 current, will make the point. Farmers in the  
17 Sheepscot River watershed built eight manure  
18 storages, fenced 5,800 feet to remove cattle from  
19 water, developed five watering facilities,  
20 developed six livestock crossings, initiated 809  
21 acres in nutrient manure management and 117 acres  
22 in pasture management. Other practices that are  
23 quantifiable that were initiated include  
24 rotational grazing, critical area seeding, heavy  
25 use area pads, milk room waste systems, ICM on

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1 blueberry fields and cropland and hay land  
2 management. The Department is confident that once  
3 monitoring data is tabulated for the Sheepscot  
4 River watershed, that agriculture will not be a  
5 significant contributor to nonpoint source  
6 pollution because the farms were proactive. The  
7 Department is concerned that this watershed will  
8 not be selected as an impaired watershed partly  
9 because farmers took the initiative to adopt  
10 conservation practices. It is also obvious that  
11 if farmers' eligibility for the CSP program is

12 dependent upon this watershed being selected as  
 13 impaired, that these farmers who stepped up to the  
 14 plate and adopted these conservation practices  
 15 will never be rewarded as the best as envisioned  
 16 by the 2002 Farm Bill. I repeat, they will never  
 17 be rewarded as the best even though they responded  
 18 when the Department indicated that it would be  
 19 better to be proactive and adopt best management  
 20 practices than be reactive waiting for problems to  
 21 come. Therefore, these proposed rules, by  
 22 limiting eligibility to impaired watersheds, will  
 23 not be rewarding the best farmers who have adopted  
 24 conservation practices proactively.  
 25 Regional equity, unfortunately, the budget cap of

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1 41 million and the necessity for limiting  
 2 eligibility result in lack of regional equity.  
 3 The Department's contention is that the Northeast  
 4 Region will not receive funding, thereby the  
 5 regional disparity will continue.

6 A comment on decision making, the Department  
 7 thinks that as much decision making as possible  
 8 for the CSP should be at the local level with the  
 9 NRCS State Technical Committee. For example, if  
 10 the CSP continues to be at the watershed level, it  
 11 would seem appropriate that the State Technical  
 12 Committee select appropriate watersheds for  
 13 Maine.

14 Thank you again for the opportunity to  
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15 comment.

16 MS. SWARTZENDRUBER: Thank you, Peter.  
17 Dick Wood, Russell Libby and Herbert York will be  
18 our next three speakers. Mr. Wood.

19 MR. WOOD: I'm not as tall as some of the  
20 previous ones. I agree with what the previous  
21 ones have said also, so I won't repeat that, but I  
22 think some of your input should be in your  
23 decision making from a local level, at least down  
24 to the district's level, because those people know  
25 what those farmers are doing in that area. The

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1 guy in Augusta or Washington doesn't always know  
2 that unless somebody tells them. The programs  
3 that you want to reward for, many of them have a  
4 life-span. Some of those are still active. If  
5 they were at 10 year or 15 or 20 years life-span,  
6 what are we rewarding them for if they haven't  
7 finished it? It just don't make sense. I hope  
8 this -- what do you call it -- CSP doesn't turn  
9 out like the TSP, which was a big joke because it  
10 was -- the law said that certain people could be  
11 TSPs but at the time it was presented to the state  
12 con, they would not recognize any of them. One,  
13 for example, was a licensed engineer that was  
14 supposed to be a TSP, but the state con at that  
15 time would not recognize them. So I hope you  
16 don't get into another case like that and make it

17 useless. NRCS staff that we have in our areas,  
18 most of the areas that I've worked in, my own  
19 county as well, are undermanned, understaffed.  
20 They do a good job with what they have to do  
21 with. They need help. Most of your -- your  
22 motto, Peter brought it up and caught my attention  
23 too -- most of the farmers didn't sign up for  
24 those practices to be rewarded for. They signed  
25 up to correct a problem on their farm, and that's

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1 all they wanted. They didn't want to be rewarded  
2 for something. Give them the money back in  
3 equipped or one of the other projects so they can  
4 do more of that work. Don't try to reward them  
5 for something they might have done already and  
6 they've been paid. Maybe they were only paid 10  
7 percent or 75 percent. What difference does it  
8 make? They got the project done and they got the  
9 thing working for them. We don't need anymore.  
10 Keep it going. Is my five minutes up, Bill?

11 MR. YAMARTINO: You still have a couple.

12 MS. SWARTZENDRUBER: Thank you, Mr. Wood.  
13 Russell Libby, Herbert York and David Bell.

14 MR. LIBBY: Good morning. I'm Russell  
15 Libby. I'm the Executive Director of the Maine  
16 Organic Farmers and Gardeners Association. We're  
17 the largest state level organic organization in  
18 the country. We have 4,200 members, about 20  
19 percent of them are farmers and the rest are

20 people who have a deep interest in the outcome of  
21 the discussion about this proposed rule and, more  
22 importantly, in a rule and program that would  
23 implement the underlying legislation. By the way,  
24 I'm on the National Board of the -- the Board of  
25 the National Campaign for Sustainable Agriculture

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1 which has been a big advocate and promoter of this  
2 legislation across the country for five or six  
3 years now. The draft rule as presented by NRCS  
4 has some major shortcomings, but most of these  
5 problems are created by the concept of a program  
6 which is limited in scope and scale. With a 40  
7 million dollar budget nationwide, there's, of  
8 course, no way that the Conservation Security  
9 Program could be fully implemented; however, in  
10 the shaping of what we hope is a relatively  
11 short-lived pilot program, the proposed rule could  
12 be creating precedence which would be carried  
13 forward into a full program and that's why I  
14 wanted to speak to those pieces. By the way, the  
15 Conservation Security Program passed in the 2002  
16 Farm Bill was the kind of agricultural program  
17 that organic farmers in Maine and across the  
18 country actually supported, unlike many other  
19 Federal programs. It's neutral in terms of crop  
20 and livestock mix. It encourages better farming  
21 practices on a continuing basis. It rewards

22 farmers who implement significant conservation  
23 practices. It is relatively scale neutral, not  
24 requiring big investments like EQIP to  
25 participate. It could be structured to include

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1 farmers producing almost every agricultural  
2 product in every part of the country. In  
3 contrast, the proposed rule significantly narrows  
4 the potential impact of the legislation. In  
5 particular, we object to several key provisions,  
6 and I really appreciate Carole's presentation  
7 because I'm going to have to refine my comments a  
8 little bit to reflect what she presented here.  
9 First, only farmers who have implemented the  
10 highest level of conservation practices are going  
11 to be able to really be beneficiaries of this  
12 program. If you haven't already gone Tier I and  
13 Tier II, you're not going to be able to get  
14 through the screening process, and so this is a  
15 program that was envisioned as bringing people in  
16 at all levels, Tier I, Tier II and Tier III, and  
17 in reality it looks like Tier III is going to be  
18 the only place where people are going to be able  
19 to get in the door. On number two, the proposed  
20 levels of financial support, which I think are  
21 presented as 10 percent of base rental acres --  
22 rental rates, can be extremely variable across the  
23 country. I was at a strawberry farm in Southeast  
24 Santa Cruz, California, this past spring where the

25 rental rate was \$10,000 per acre per year. The

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1 typical Maine acre rents for \$50, if there's any  
2 cash that trades at all. So there's a major  
3 disparity built into the base formulation if  
4 rental rates alone are the formulation of that.  
5 Five percent cost share for improved practices,  
6 which again is how I read the rule initially --  
7 are so low as not to be an incentive at all for  
8 somebody to participate.

9 Three, the notion of prorating rather than  
10 closing the program when all funds are expended  
11 only further dilutes support levels. Levels. So  
12 we would support opening the gates, closing when  
13 you've allocated all your money, rather than any  
14 kind of proration formula.

15 Four, and, again, a close reading may prove  
16 me wrong on this one, but the original legislation  
17 had some fairly strong language about intensive  
18 grazing systems and improved grassland as strongly  
19 qualifying practices, and that language at least  
20 isn't clear in the rule and we'd really encourage  
21 that. As a state that has a significant reliance  
22 of dairy, we get about 20 percent cash receipts,  
23 about a quarter of the cropland, and a growing  
24 organic dairy sector, 60 farms, 15 percent of the  
25 dairy farms are shipping organic milk, support for

1 improved grass-based livestock is a critical  
2 strength of the program.

3 Five, the program needs to be easy to  
4 access. We're particularly concerned about how to  
5 integrate sign-up for CSP with other programs. In  
6 our case, organic farmers that comply with the  
7 USDA's National Organic Program have to have a  
8 whole farm plan. What's the synergy between the  
9 whole farm plan and the Conservation Security Plan  
10 and any other baseline data, and the more we can  
11 make that fit together, the better off we'll be.

12 You've been handed a tough job, take a  
13 program envisioned to include most farmers in the  
14 country and persuade us that a pilot program that  
15 only includes certain farmers and certain targeted  
16 watersheds is the solution. That can't be done,  
17 but we look forward to working with NRCS on  
18 developing a program that works for all farmers  
19 when the enrollment caps are removed October 1st  
20 as was included in the Budget Reconciliation  
21 Bill. Thank you.

22 MS. SWARTZENDRUBER: Thank you, Mr. Libby.  
23 We'll now hear from Mr. Herbert York and then  
24 David Bell and Tim Hobbs are up after him. Mr.  
25 York.

1           MR. YORK: Welcome to Maine, Joyce. I look  
2 forward to visiting with you during the course of  
3 your reign here in Maine, and I also recognize  
4 Rick Swenson here. We go back a long time, back  
5 15 years to where we talked about the Green Ticket  
6 Program years and years ago with NACD which I've  
7 been involved with for a long time. My comments  
8 will be just kind of off the cuff. I'm not really  
9 familiar with the whole rule's process and the  
10 whole rules that you outlined, Carole, and I  
11 probably wouldn't read them anyway, but I am  
12 enthusiastic about this program. I really think  
13 that this has the potential to really be a program  
14 that can fit Maine and can fit any state, but I  
15 have some concerns, and my concerns are really  
16 fourfold here. According to what I read, this  
17 synopsis of it here, this is just the summary of  
18 the big rules that we were handed out here some  
19 time ago, and my interpretation was that it would  
20 be available to all farmers. It says on page 4  
21 that irregardless of the geography or irregardless  
22 of where you're located. It seems to me that that  
23 ought to be the criteria rather than just because  
24 you're located in a particular watershed that it  
25 would be designed only for you. That's almost

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1 discriminatory. I think also there needs to be a  
2 certain amount of an education component developed

3 in this program because it must instill farmers.  
4 If it's going to be truly effective, this can't be  
5 effective just for those farmers that are doing a  
6 good job. It's got to encourage the farmers who  
7 aren't doing as much to become involved also. So  
8 it has to be kind of an incentive-type program  
9 along with a program to benefit just the farmers  
10 that are doing a good job. When you get into a  
11 selection process, which you're almost into here,  
12 this type of entitlement program is going to end  
13 up that you're going to have to pick some people  
14 that are going to get these programs and those  
15 that don't, and then you really need to talk about  
16 the local aspect, the conservation districts,  
17 FSA. I don't know whether NRCS has abandoned the  
18 old concept of partnership, but when I was  
19 involved within NACD, we used to talk about  
20 partnership, we used to talk about cooperation,  
21 and to me, any program, especially a new program  
22 like this, if it's going to be truly beneficial,  
23 then you have to involve the local people. Thank  
24 you.

25 MS. SWARTZENDRUBER: Thank you, Mr. York,

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1 and thank you for the welcome to Maine. David  
2 Bell, and then we will hear from Tim Hobbs and  
3 Marge Kilkelly.

4 MR. YORK: Good morning. Thank you for  
5 bringing the listening session to Maine. I'm

6 David Bell, Executive Director of the Wild  
7 Blueberry Commission of Maine. I just want to  
8 offer a few general comments. We've been  
9 supporting the concept of the CSP program, and  
10 also strongly supported the conservation  
11 provisions of the 2002 Farm Bill, in fact, we've  
12 been far more active in that effort in the last  
13 few years than we ever have. We also understand  
14 the challenge of rolling out a new program with a  
15 new approach to conserve the natural resources and  
16 taking a prevention approach versus fixing the  
17 problem, rewarding the best, as it talks about in  
18 your summary. We also understand the challenges  
19 of limited funding, so you're basically dealing  
20 with a pilot program, but we do have some  
21 concerns. First, Peter Mosher touched on, if you  
22 read the bottom of your summary from December  
23 16th, the last sentence on the first page, it says  
24 the fundamental philosophy and intent of CSP is to  
25 support ongoing conservation and stewardship of

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1 working lands by providing payments and assistance  
2 to producers to maintain and enhance the condition  
3 of the resources. I guess we would view that the  
4 key words are maintain and enhance. This implies  
5 that areas to be selected are in good condition,  
6 again, the idea to maintain and enhance. So when  
7 working on your criteria for selecting priority

8 watersheds, we feel it must reflect watersheds  
 9 that are in very good to excellent condition or,  
 10 quote, the best condition, to motivate the rest.  
 11 Another point I'd like to make, we applaud the  
 12 effort as you roll out the program to make it  
 13 available in all 50 states and territories, but  
 14 you should also give consideration to make sure  
 15 that you're dispersed geographically with a  
 16 diversity of watersheds as you roll out the pilot  
 17 program, and then you'll be able to basically  
 18 evaluate and improve based on what we learn in  
 19 rolling out the program. Another area we're  
 20 concerned about is just the whole fairness, both  
 21 locally and the regional equity. Again, our  
 22 interest in the CSP Program was twofold. First,  
 23 supporting producers who are good stewards of the  
 24 land and the second issue is the equity of USDA  
 25 farm programs. I know this isn't totally the

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1 whole purview of NRCS, but basically especially  
 2 crop farmers do not receive the same level of  
 3 support as commodity growers around the country.  
 4 We're not especially interested in crop payment  
 5 systems as we feel it does cause market  
 6 distortions, as I think Dave Popp alluded to, but  
 7 we did see CSP as a way to begin to deal with  
 8 inequities within the whole USDA system; in fact,  
 9 the marketplace world-wide in our view doesn't  
 10 support or doesn't pay for conservation and our  
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11 fruit growers have to compete with many emerging  
12 countries that may not have the best land  
13 stewardship. So we thought it would potentially  
14 compensate for some of that; however, again coming  
15 back to our concerns, if a program is available in  
16 one watershed but not in another, it creates  
17 inequity between growers right here in Maine, and,  
18 again, many of our farmers are really on the line  
19 between making it and breaking it, and the CSP  
20 Program could make the difference between making  
21 it or going out of business, and if one farmer can  
22 receive the program and another cannot, we'll see  
23 inequities developing and we just can't support  
24 creating those inequities. Unfortunately, I can't  
25 think of a creative solution to solve that

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1 problem. Maybe it will come to me in a short  
2 while.

3 In summary, we support the concept of the  
4 CSP. We have some concerns over the priority  
5 watersheds and would advocate that the program  
6 should again reward watersheds where good jobs are  
7 being done and, again, we have concerns over  
8 implementation and not creating more inequities  
9 around the country regionally or locally between  
10 producers. Thank you.

11 MS. SWARTZENDRUBER: Thank you, David. Tim  
12 Hobbs, and then we'll hear from Marge Kilkelly and

13 John Hodsdon.

14 MR. HOBBS: Thank you, Joyce, and USDA for  
 15 coming to Maine. We appreciate it. We appreciate  
 16 the fact that you took the time to go visit a  
 17 potato grower. That's primarily my interest since  
 18 I work for the Maine Potato Board, and I'm sure  
 19 you saw some good conservation work that's taking  
 20 place there. I guess I'll start off by saying  
 21 that I didn't plan on commenting but Colleen  
 22 talked me into it, and so that's why I'm  
 23 commenting. We participated in the EQIP rule  
 24 commenting world, the first time I had ever been  
 25 involved in commenting on anything like that, and

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1 I thought that was bad but then I got the rule for  
 2 CSP and, wow, is this the trend that's going to  
 3 continue? I don't know. The pages just keep  
 4 adding up. We're going to be putting together  
 5 some written comments to be submitted at a later  
 6 date. There are two things that are a concern of  
 7 mine and every time I hear a presentation on CSP,  
 8 they come to mind. The first one is I viewed CSP  
 9 and I think a lot of people view the program as a  
 10 program that rewards past activities, and I think  
 11 that was the Congressional intent. If you look  
 12 into the statute, there's a heavy emphasis on past  
 13 history. The rule seems to be acknowledging that  
 14 but looking forward and trying to encourage new  
 15 activity. We had a presentation at the State

16 Technical Committee meeting where Bill showed us  
17 or demonstrated that to us by showing the base  
18 payment compared to enhancement payment. A huge,  
19 huge discrepancy in those payments, and I  
20 understand some of the reasons why, but it seems  
21 like a program -- CSP is slowly turning into or  
22 has the potential to turn into a cost sharing type  
23 of program which we already have as opposed to a  
24 program that puts significant amount of dollars  
25 into growers' pockets for work they've already

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1 completed. That's the first comment.  
2 The second one is on this whole idea of  
3 watershed selection, and, anyway, I can go into TA  
4 and how the lack of technical assistance dollars  
5 seems to be driving a lot of these programs. If  
6 we're picking watersheds to target dollars based  
7 upon the unavailable -- the lack of TA dollars to  
8 be spread around so the lack of TA dollars is  
9 driving where these dollars are being spent, I  
10 have a problem with that. We already are  
11 experiencing problems in the state of trying to  
12 implement EQIP with an insufficient amount of TA  
13 dollars, and so I hate to see a program like this  
14 start from the very beginning being driven by a  
15 lack of TA, but that seems to be the case.  
16 Anyway, watershed selection, I'm unclear. There  
17 doesn't seem to be a whole lot of detail on how

18 that's going to happen. There's a bit of detail,  
19 but we're concerned that there isn't a whole lot  
20 of local input into that. I know we're only  
21 talking about 41 million dollars, but next year  
22 that increases significantly. In the future I  
23 think the potential for CSP to have an additional  
24 amount of dollars put in beyond that even is  
25 good. I would just caution USDA on watershed

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1 selection. I'd hate to see us get ourselves into  
2 a mode that we can't get ourselves out of as far  
3 as equitably treating regions of the country, and  
4 I guess I'll stop there. You don't want to hear  
5 anymore, and I'll address the rest of the comments  
6 in my written comments, but thank you.

7 MS. SWARTZENDRUBER: Thanks, Tim. Marge  
8 Kilkelly and John Hodsdon and that's the last on  
9 my list so far. So if you haven't signed up yet,  
10 I encourage you to do so. Marge?

11 MS. KILKELLY: I am Marge Kilkelly. I work  
12 for the Council of State Governments. Our group  
13 is the Northeast States Association for Ag  
14 Stewardship. I work with legislators who serve on  
15 agriculture committees from Delaware to Maine, the  
16 Virgin Islands and Puerto Rico. So we have a wide  
17 variety of issues and crops and challenges before  
18 us. I want to first say thank you for coming to  
19 the region and listening to our concerns, and we  
20 also will be filing more formal comments later

21 on. I just wanted to respond to some of the  
22 things I've heard in a couple of presentations and  
23 raise some issues. One of the things I've always  
24 believed is it's important to have a cost benefit  
25 analysis to anything that we do, and, frankly,

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1 every person benefits from clean water, productive  
2 soil, clean air, good wildlife habitat, open  
3 space, and this program seems to recognize good  
4 practices and through redistribution of dollars  
5 allows everyone to participate in what has been  
6 previously a cost that has been borne only by  
7 farmers, and so I think that aspect of it is  
8 critically important. The limited amount of money  
9 that's available both in '04 and '05 really does  
10 only create a pilot project, and I think it's very  
11 important that it be defined as such. This is a  
12 pilot. This is a learning opportunity to see if  
13 there is a way to, in fact, continue this in the  
14 future in a way that can include everyone that  
15 should be included; therefore, in order to achieve  
16 the goals of the program and learn during that  
17 process, I think the selection of watersheds, if  
18 that, in fact, is how this is going to proceed, is  
19 going to be critically important. I would urge  
20 that there be some local involvement in that  
21 selection process. I would also urge that there  
22 be a variety of watersheds that are selected,

23 whether they're watersheds that are impaired,  
24 watersheds that are, in fact, very positively --  
25 have been very positively addressed in the past,

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1 watersheds that are in different regions,  
2 watersheds of different sizes. I think the only  
3 way that you can learn is to, in fact, have a  
4 variety and that that variety needs to include all  
5 of those issues. There are some pieces of this  
6 that can be very, very positive to the Northeast.  
7 Historically we have been quite under-served by a  
8 variety of the programs that have come from USDA.  
9 The fact that there's no size limit, there's no  
10 limit on the type of crop, the type of critter  
11 that can be involved in this farming operation is  
12 very positive for some of the very unique and  
13 interesting small-scale agriculture operations  
14 that are, in fact, going on in the Northeast. The  
15 fact that there's a priority for new farmers is  
16 both exciting and a challenge. It's a challenge  
17 because how do you, in fact, even get to Tier I or  
18 Tier II or anyplace else if you're a new farmer  
19 and don't have a history but, in fact, it says  
20 that there's going to be priority for new  
21 farmers. The fact that it's rewarding good  
22 stewardship. Agriculture in the Northeast because  
23 of its close proximity to populations and  
24 watersheds that are used by urban populations have  
25 been very keenly aware of being good stewards and

1 historically have been. So the fact that the  
2 language in the law that talked about rewarding  
3 good practices is very exciting for us, the rule  
4 needs to be more reflective of that so we, in  
5 fact, can benefit to the full extent possible.  
6 Again, local decision making I think is critically  
7 important in the process, and to that end, I would  
8 offer and I would expect that probably everybody  
9 in this room would offer that however we can be of  
10 assistance, not just through this listening  
11 session but through planning work, looking at  
12 proposals as they come forward and being able to  
13 respond to those, we're more than happy to do  
14 that. It is very important that the people on the  
15 ground that are doing the work have as much input  
16 as possible into this process to assure that what  
17 happens can, in fact, be successful through this  
18 piloting process so that when it comes to full  
19 implementation we will, in fact, see the best that  
20 we can do. Thank you.

21 MS. SWARTZENDRUBER: Thank you, Marge.  
22 John Hodsdon.

23 MR. HODSDON: Thank you. I didn't intend  
24 to be the wrap-up speaker here, but I'd like to  
25 say this is basically a good program. It's a very

1 good concept, and really we need to go forward  
2 with it. It will certainly position this country  
3 in a much better position for free trade or fair  
4 trade negotiations so that we can be looked at in  
5 a higher moral plane rather than being one of the  
6 bad guys that spend lots of money subsidizing  
7 producers to produce surpluses; in other words,  
8 the eight big commodities that are driven by acres  
9 and bushels. That implies that over time there  
10 will be some shifting of money from those  
11 commodity programs into conservation programs,  
12 particularly CSP. Also, in terms of as Marge was  
13 saying about regional equity, it is important.  
14 why? well, if farm bills are going to be  
15 supported, they need support in the entire  
16 country. The Northeast is typically a very  
17 under-served area from the standpoint of  
18 agricultural spending. It's something that the  
19 Northeast governors as well as the Northeast  
20 commissioners of agriculture and others have been  
21 emphasizing, and they've lobbied heavily for  
22 having this in the 2002 Farm Bill, and I thank  
23 them for that. The Northeast region or for you,  
24 Nor'east region, has approximately one quarter of  
25 the nation's population. It certainly has one

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1 quarter of both the Senate and House of  
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2 Representatives, and is politically important for  
3 getting agricultural issues through, and there's a  
4 lot of sentiment by those that are not familiar  
5 with it, why should we be supporting soybean  
6 farmers to produce a surplus. Agriculture is more  
7 than that, but beyond the regional equity that  
8 Marge was talking about, there's the producer  
9 equity which is important. This applies for  
10 livestock, specialty crops, as well as the major  
11 commodity crops. I was recently at the NACD  
12 meeting in Hawaii, and I think the Northeast is  
13 finding some common ground with conservation  
14 districts in Florida and California on this  
15 particular issue, too, which will help drive it.  
16 So much for all the good talk. How about some of  
17 the problems in the rules? You have two things  
18 you really need to worry about right now, and  
19 they're sort of contradictory. One thing is there  
20 are 1.8 million farms that are eligible. If NRCS  
21 was to go out and try to evaluate a tenth of  
22 those, all of the available money would be spent  
23 evaluating and there would be nothing left to give  
24 back to the farmers. So you need a rationing  
25 system of some sort, but in writing the rules, you

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1 should be aware that in the long-run you ought to  
2 do away with that rationing and pretty much have  
3 it apply to everybody who's doing a good job, and,

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4 you know, 41 million wasn't what was really  
 5 envisioned, more in the billions, and to get that,  
 6 there has to be a provision of money from  
 7 commodities, which we thought we did in the '96  
 8 Farm Bill, and put it into conservation.

9 I'd like to comment on that Buzzy was  
 10 talking about or you folks were talking about  
 11 partnership. Well, in Hawaii, certainly Jim  
 12 Mosely was, Bruce Knight was really talking about  
 13 it a lot. In part, I think that was because of  
 14 last year there was perceived to be a breakdown in  
 15 the partnership and on some issues it was and on  
 16 others we still worked well together. Thank you.

17 MS. SWARTZENDRUBER: Thank you, Mr.  
 18 Hodsdon. I have Roger Doirou.

19 MR. DOIROU: Yes, my name is Roger Doirou.  
 20 I work for what's called the Northeast Sustainable  
 21 Agriculture Working Group. We operate under the  
 22 name NSAWG. We are an organization that  
 23 represents a diverse group of organizations in the  
 24 Northeast Region that are working for food system  
 25 change and sustainable agriculture obviously.

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1 we're the regional partner for the National  
 2 Campaign for Sustainable Agriculture. We have  
 3 member groups in the State of Maine including the  
 4 Maine Farmers Project, among others. As Russell  
 5 alluded to earlier, the National Campaign for  
 6 Sustainable Agriculture has been very actively

7 involved in the push for this program, this CSP.  
8 we've been advocates of it from the very  
9 beginning, and I think if we have it before us  
10 here today, it's partly because of the grass roots  
11 push that has occurred to get this program to  
12 where it is right now. So we're very  
13 enthusiastically supporting the program. At the  
14 same time, I think, if I can be so presumptuous as  
15 to speak for the sustainable agriculture movement,  
16 there is a feeling that the proposed rule does not  
17 live up to the true spirit of the law, and the  
18 program as it was originally envisaged, and that  
19 it doesn't capture the same ambition that was  
20 behind the program when it was envisaged and  
21 pushed for by so many thousands of people across  
22 the United States. So we are not particularly  
23 pleased with the proposed rule as it stands now.  
24 We understand some of the reasons for the  
25 limitations, but at the same time, as Russell

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1 mentioned earlier, there is this concern among the  
2 folks that I work with that we need to get the  
3 proposed rule right from the beginning because  
4 there is the potential that the proposed rule will  
5 shape the program down the line even if it is  
6 recognized as being some type of a pilot program,  
7 that that pilot could very well carry over into  
8 what becomes the permanent program.

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9 I have a few very specific comments. Some  
 10 of my member organizations and our partner  
 11 organizations will be giving you very full written  
 12 comments at a later date, but I'd like to read off  
 13 a few of the main points. We feel it's important  
 14 that the proposed rule make all farms eligible.  
 15 This means restoring eligibility for all by  
 16 eliminating the selection of priority watersheds  
 17 and limited categories for involvement. Number  
 18 two, it needs to really motivate farmers. We need  
 19 to allow farmers to achieve high conservation  
 20 standards while in the program, not as a  
 21 precondition for applying. Number three, restore  
 22 meaningful incentive payments so that farmers are  
 23 financially rewarded for outstanding environmental  
 24 performance. The proposed rule calls for pennies  
 25 an acre for base payments, five percent cost share

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1 payments for practices and enhanced payments that  
 2 don't even necessarily cover the farmers' costs  
 3 and we'd like to call also for comprehensive  
 4 conservation, in other words, allow farmers to  
 5 address any or all significant natural resource  
 6 concerns on their farm and allow them to make use  
 7 of all effective conservation practices instead of  
 8 severely restricting what can be done.

9 I just would like to say in closing that I  
 10 do appreciate the NRCS's work on this and that  
 11 there is, indeed, this very public process for

12 trying to shape this rule. Thank you very much.

13 MR. BARTZ: Could you repeat the second  
14 thing again so I could catch that in my notes?

15 MR. DOIROU: Right, allow farmers to  
16 achieve high conservation standards while in the  
17 program, not as a precondition for applying.

18 MR. BARTZ: Thank you.

19 MS. SWARTZENDRUBER: Okay, thank you. You  
20 were our last signed-up speaker, and we have  
21 called this public meeting to last until 1:00. So  
22 I'm going to call a 15-minute break. We'll  
23 reassess if we need to reconvene at that time, but  
24 we will have listeners here until 1:00 to ensure  
25 that anyone who shows up and wants to make comment

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1 will do so. Thank you very much for your  
2 attendance today. If you choose to leave at this  
3 point, we will understand fully, and encourage you  
4 to put your written comments in. If you don't  
5 have the address, you can get it out at the front  
6 table to submit something further. Do you have  
7 another question? All right, thank you very much  
8 and thank you, the panel, for taking your time to  
9 listen today.

10 (OFF RECORD)

11

12 MS. SWARTZENDRUBER: Okay, we're going to  
13 reconvene the meeting, and take some additional

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14 public comment. I believe our next speaker, Mr.  
15 Bill Bell and, Bill, we have a five-minute time  
16 limit that Mr. Yamartino will notify you of when  
17 your five minutes is up. Please take your time.

18 MR. BELL: Thank you, Ms. Swartzendruber,  
19 and other members of the listening session. Thank  
20 you for the opportunity to speak. I am William  
21 Bell. I am Executive Director of the Maine  
22 Association of Conservation Districts, which  
23 consists of the 16 Soil and Water Conservation  
24 Districts in our state. Our organization welcomes  
25 the implementation of the Conservation Security

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1 Program, and nothing in my comments should be  
2 construed to detract from our enthusiasm for this  
3 far-reaching approach to agricultural policy in  
4 which farmers are rewarded for their stewardship  
5 rather than their choice of what crops or foods to  
6 produce.

7 We especially commend the members of Maine's  
8 Congressional Delegation for their steadfast and  
9 enthusiastic support of this approach; however, as  
10 now construed, it appears to us that the  
11 Conservation Security Program will reward farmers  
12 more for where they live or where they farm than  
13 for their stewardship. By initially limiting the  
14 program to producers located in, quote,  
15 high-priority watersheds, unquote, we are clearly,  
16 in effect, penalizing producers whose practices

17 and whose surrounding communities have worked  
18 together to already provide for streams and ponds  
19 and rivers and lakes which are relatively free of  
20 nonpoint source pollution. This places Maine  
21 farmers at a disadvantage, and I've heard it said  
22 as one flies -- and I observed myself as one flies  
23 from here across the country, you look down and  
24 most of the rivers are brown with the exception of  
25 those here in Maine. Our state last spent

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1 enormous amounts of public funds, perhaps more on  
2 a per capita basis than any other state, on  
3 protecting water quality. Once the site of some  
4 of the nation's most polluted waters, Maine has  
5 cleaned up; however, ironically this would appear  
6 to place us in a position of having fewer, quote,  
7 high priority watersheds, and within the state,  
8 the program would appear to exclude Maine farmers  
9 who are located in pristine regions.

10 In Franklin County, Maine, for example, we  
11 have a producer who some years ago was cited by  
12 the National Association of Conservation Districts  
13 as conservation farmer of the year. He has just  
14 superb practices; however, he's also located on  
15 the Sandy River which has been very carefully  
16 protected by this farmer and other producers, and  
17 under the rules as published, he would probably  
18 not be eligible for the Conservation Security

19 Program. We have been told in presentations by  
20 Mr. Yamartino that this situation will be revised  
21 once funds are available to remove the  
22 restrictions regarding high priority watersheds;  
23 however, given the budget situation to which  
24 Federal Reserve Chairman Alan Greenspan spoke this  
25 morning about concern for continuing staggering

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1 deficits and given the nature of this program  
2 which was conceived as an uncapped program, we are  
3 skeptical that in the conflict between these two  
4 rather different concepts that it will be  
5 uncapped; thence with a cap, we are very skeptical  
6 that there won't continue to be a restriction  
7 according to watershed priority. We, therefore,  
8 urge that the authors, appropriators and  
9 administrators of this program keep in mind that  
10 farming is a competitive business, and that a  
11 Federal program which awards applicants in some  
12 geographic areas and not in others is inherently  
13 unfair. We realize that life is unfair, but it  
14 would nevertheless seem peculiar to have a program  
15 which would provide funds to a dairy farmer in one  
16 watershed whose neighbor on the other side of the  
17 ridge produces essentially the same product for  
18 the same dairy for the same per hundred weight  
19 payment in the milk shack and one farmer is  
20 eligible for financial support through this  
21 program and the neighboring farmer who may have

22 exactly the same conservation practices installed  
23 would not be eligible.

24 I know it's risky to offer suggestions as to  
25 how this might be resolved, but at the time that

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1 the EQIP program or its predecessor was in  
2 existence and for several years was restricted to  
3 producers in the dairy belt of Maine or certain  
4 priority areas geographically, it was creating  
5 this type of problem and the solution being  
6 proposed at that time by the National Association  
7 of Conservation Districts was to take a large pool  
8 from the program and make it available to  
9 applicants who were not in the geographic areas  
10 designated but who nevertheless had a very high  
11 priority of need, and I suggest that perhaps this  
12 approach might be looked at as long as the  
13 Conservation Security Program remains a capped  
14 program restricted only to certain priorities,  
15 that people who do not fall within narrow  
16 priorities should still have the opportunity and  
17 some opportunity to apply and be considered even  
18 if they fall outside of the designations  
19 previously established.

20 This concludes my presentation. Thank you  
21 very much.

22 MS. SWARTZENDRUBER: Thank you, Mr. Bell.  
23 This concludes our listening session for today.

24 Thank you to everyone who has participated, and we  
25 look forward to seeing the final rules

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1 promulgated. Thank you.  
2 (Whereupon, the above-named listening session was  
3 concluded at 1:00 p.m.)  
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CERTIFICATE

I, Joanne P. Alley, a Notary Public in and for the State of Maine, hereby certify that the foregoing is a true and accurate record as taken by me by means of computer-aided machine shorthand on February 11, 2004.

I further certify that I am a disinterested person in the event or outcome of the aforementioned cause of action.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of February, 2004.

\_\_\_\_\_  
Joanne P. Alley  
Court Reporter/Notary Public

My commission expires: July 18, 2008